ANNEXURE B4

HESSEQUA MUNICIPALITY

PRINCIPLES AND POLICY ON TARIFFS AND FREE BASIC SERVICES 2017/2018

(DRAFT FOR IMPLEMENTATION ON 1 JULY 2017)

30 March 2017

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HESSEQUA LOCAL MUNICIPALITY

PRINCIPLES AND POLICY ON TARIFFS AND FREE BASIC SERVICES

DOCUMENT AND VERSION CONTROL

Version: Draft – 2017/18

Date: 30 March 2017

Summary: This document describes the Policy on Tariffs and Free Basic Services that will be applicable to the Hessequa Municipality, with effect from 01 July 2017.

J JACOBS	G RIDDLES
Municipal Manager	**Executive Mayor**
Date: 30 March 2017	**Date: 30 March 2017**

1. INTRODUCTION AND LEGISLATIVE REQUIREMENTS

1.1 In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a Municipality is responsible for managing the financial administration of the Municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the Municipality has and implements a Tariff Policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

1.2 In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a Tariff Policy on the levying of fees for municipal services provided by the Municipality itself or by way of service delivery agreements.

1.3 This policy has been compiled in accordance with:-

1.3.1 The Constitution of the Republic of South Africa, Act no 108 of 1996 as amended;

1.3.2 Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended;

1.3.3 Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003;

1.3.4 Local Government: Municipal Property Rates Act (MPRA), Act no 6 of 2004;

1.3.5 Hessequa Municipality Property Rates Policy as reviewed annually.

2. DEFINITIONS AND ABBREVIATIONS

"Account" means an account rendered specifying charges for municipal services provided by the **Municipality**, or any authorised and contracted service provider, and which account may include assessment rates levies.

"Accounting Officer" means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

"Annual Budget" shall mean the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget.

"Annually" meansonce every financial year;

"Arrangement" means a written agreement entered into between the Municipality and the customer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act.

"Arrears" means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.

"Authorised Representative" means a person or instance legally appointed by the Municipality to act or to fulfill a duty on its behalf.

"Availability charge" means where properties are not connected to the municipal infrastructure, but can reasonably be connected to the service.

"Basic charge" means the recovery of the distribution and billing-related costs, which include having a distribution system in place, plus the costs of the meter, servicing and reading the meter, mailing the bills, and maintaining customer records.

"bed and breakfast establishment" means a dwelling unit -

(a) in which the owner of the dwelling supplies lodging and meals for compensation to transient guests who have permanent residence elsewhere; and

(b) provided that the dominant use, structure and design of the dwelling unit concerned remains for the living accommodation of a single family;

provided that the use complies with the applicable zoning.

"Basic Municipal Services" shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

"Billing Date" means the date upon which the monthly statement is generated and debited to the customer's account.

"Business and Commercial Property" means -

(a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or

(b) property on which the administration of the business of private or public entities take place.

"Business and Commercial Units" means -

A room, set of rooms, building/sor structure/s on the same Business and Commercial Property,which are separately identifiable on its own or in combination, as independent or semi-independent units, used for the activity of buying, selling or trading in commodities or services.

"By-law" shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies.

"Calendar year" shall mean 12 consecutive months of a financial year(s).

"Category" –

(a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Municipal Property Rates Act;

(b) in relation to the owners of property, means a category of owners determined in

terms of section 15(2) of the Municipal Property Rates Act.

"Chief Financial Officer" means the person appointed as the Chief Financial Officer of the Municipality, or his or her nominee.

"Compound building" means a building in a particular zone, where more than one primary and/or consent uses have been approved and where the land use restrictions of the primary use are applicable.

"Consumer Price Index" shall mean the CPIX as determined and gazetted from time to time by the South African Bureau of Statistics.

"Consolidated Account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality.

"Council" means the Council of the Hessequa Municipality.

"Councillor" shall mean a member of the Council of the Municipality.

"Credit Control" means all the functions relating to the collection of monies owed by ratepayers and the users of municipal services.

"Customer" means the occupier of any premises to which the Municipality has agreed to supply or is actually supplying municipal services, or if no occupier can be identified or located, then the owner of the premises and includes any customer of the Municipality.

"Day/Days" means calendar days, inclusive of Saturdays, Sundays and public holidays.

"Debt Collectors" means an external person or entity appointed by the Municipality to collect monies due and payable to the Municipality, subject to the conditions contained herein.

"Defaulter" means any person who owes arrears to the Municipality.

"Delivery Date" shall mean the date on which the periodic account is delivered to the customer or 3 days after **the** date the account was posted, whichever is the first.

"Domestic Customer or User" of municipal services shall mean the person or household which municipal services are rendered in respect of "residential property" as defined below.

"Due Date" in relation to -

(a) rates due in respect of any immovable property, means:-

(i) the twentieth (20th) day of September of the financial year for which such rate is made, in the case where rates are levied on an annual basis;

(ii) the date for payment indicated on the account, in the case where rates are levied on a monthly basis; or

(iii) any other date determined by Council in terms of a public notice in the Provincial Gazette, and

(b) service charges due in respect of any immovable property, means the date for payment indicated on the account, provided that the due date for any service charges means the twentieth (20th) day of September in the case where service charges are levied annually; and

(c) should such day fall on a Saturday, Sunday or public holiday the due date shall be the next working day.

(d) notwithstanding the above, rates and availability charges levied on an annual basis which are paid in full by the 30th September of each year, qualify for a 3% rebate.

"Duet residences" means two residences on a Residential II zoned erf, each with its own water and electricity connections, but does not include an additional residential unit, which must be rezoned and upon which separate tariffs are levied;

~~**"Dwelling"** means a building, structure or place of shelter to live in or conduct business from.~~

"Dwelling Unit" means a self-contained, inter-leading group of rooms or a compound building configuration designed in accordance with a particular style approved by the Municipality—

(a) with not more than one kitchen, used for the living accommodation and housing of one family, together with such outbuildings as are ordinarily used with a dwelling unit; and

(b) does not include tourist accommodation or accommodation used as part of a hotel;

"Electricity Charges" means service charges in respect of the provision of electricity.

"Farm Property or Small Holding used for agricultural purpose" – means property that is used for the cultivation of soils for purposes of planting and gathering in of crops; forestry in the context of the planting or growing of trees in a managed and structured

fashion; the rearing of livestock and game or the propagation and harvesting of fish, but excludes the use of a property for the purpose of eco-tourism; and in the respect of property on which game is reared, trade or hunted, it excludes any portion that is used for commercial or business purposes. In this definition such properties could also be included within the urban edge of a town;

"Farm Property or Small Holding not used for any purpose" – means agricultural property or an agricultural zoned land unit which is not used for farming purposes, regardless of whether such portion of such property has a dwelling on it which is used as a dwelling and must be regarded as residential property.

"Financial Year" shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

~~**"Flat" – means** an interconnected suite of rooms which does not include more than one kitchen, designed for the occupation and use by a single family and which forms part of a group ofr cluster of at least three (3) similar identifiable units, or a Buisness or Commercial Unit/s, attached or detached.~~

"Flat" means a building containing three or more dwelling units, which forms part of a group or cluster of at least three (3) similar identifiable units, or a Business or Commercial Unit/s, attached or detached., together with such outbuildings, open space and private roads as are ordinarily associated with flats.

"Guest Accommodation" means a kind of lodging and includes hostel, B&B, Hotel's, guest houses, guest lodges;

"Guest house" means a dwelling unit, second dwelling unit or additional dwelling unit that is used for the purpose of supplying lodging and meals to transient guests for compensation, in an establishment that exceeds the restrictions of a bed and breakfast establishment (more than 2 guest rooms) in the dwelling, and includes business meetings or training sessions by and for guests on the property; provided that the use complies with the applicable zoning;

"Guest lodge" means an appropriately scaled establishment that provides temporary residence for transient guests where lodging and meals can be provided to 7 or more but not more than 20 guest rooms and includes a small conference or training facility and also caters for business meetings provided that the use complies with the applicable zoning;

"Hotel" means a property used as a temporary residence for transient guests, where lodging and meals are provided, and includes—

(a) restaurants;

(b) conference and entertainment facilities and a chapel that are subservient and ancillary to the dominant use of the property as a hotel;

(c) premises that are licensed to sell alcoholic beverages for consumption on the property;

(d) flats;

(e) a wellness centre; and

(f) a boarding house;

provided that the use complies with the applicable zoning.

"Immovable Property" also includes -

(a) an undivided share in immovable property, and

(b) any right in immovable property.

"Implementing Authority" means the Municipal Manager or his or her nominee, acting in terms of section 100 of the Local Government: Municipal Systems Act No. 32 of 2000.

"Indigent Customer" means the head of an indigent household:-

(a) who applied for and has been declared indigent in terms of Council's Indigent Support Policy for the provision of services from the Municipality; and

(b) who makes application for indigent support in terms of Council's Indigent Support Policy on behalf of all members of his or her household;

"Indigent Policy" means the Indigent Policy adopted by the Council of the Municipality.

"Indigent Support Programme" means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Policy.

"Integrated Development Plan" shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000, as amended.

~~**"Industrial Property" –** means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished~~

~~products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, ghe use of which is incidental to such activity.~~

"industry" means a property used as a factory and in which an article or part of the article is made, manufactured, produced, built, assembled, compiled, printed, ornamented, processed, treated, adapted, repaired, renovated, rebuilt, altered, painted (including spray painting), polished, finished, cleaned, dyed, washed, broken up, disassembled, sorted, packed, chilled, frozen or stored in cold storage; including offices, caretaker's quarters, factory shop or other uses that are subservient and ancillary to the use of the property as a factory; and—

(a) includes—

(i) an industrial hive;

(ii) builder's yard

(iii) funeral parlour;

(iv) service station;

(v) transport usage;

(vi) rooftop base telecommunication station;

(vii) freestanding base telecommunication station; and

(viii) warehouse and agricultural industry; but

(b) does not include a noxious trade, scrap yard or risk activity.

"Interest" means the charge levied on arrears, calculated as the prime rate, charged by the bank which holds the Municipality's primary bank account, plus one percent or such other percentage as may be determined by Council from time to time.

"Local Community" – in relation to the Municipality –

(a) means that body of persons comprising –

(i) the residents of the Municipality;

(ii) the rate payers of the Municipality;

(iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the Municipality; and

(iv) visitors and other people residing outside the Municipality, who, because of

their presence in the Municipality, make use of services or facilities provided by the Municipality; and

(b) includes, more specifically, the poor and other deprived sections of such body of persons;

"lodging" means the provision of bedroom accommodation or, in the case of a backpacker's lodge, bed accommodation that is made available on payment of a charge or fee, and includes the services ordinarily related to such accommodation;

"Manager Income" Means the Senior Official in a division of the Municipality's Finance Department, overall responsible for the collection of monies owed to the Municipality

and/or any other official to whom he/she has delegated duties and responsibilities in terms of this Policy.

"Market Value" – in relation to a property, means the value of the property determined in accordance with section 46 of the Municipal Property Rates Act.

"MFMA" means the Local Government Municipal Finance Management Act, Act no 56 of 2003 and any amendments thereof.

"Month" means one of twelve months of a calendar year.

"Monthly Average Consumption" means the monthly average consumption in respect of a property calculated on the basis of the average consumption over the preceding twelve months on the respective property or should it be a newly developed property a projected average consumption per month for a property in the Municipality having a similar sized development thereon.

"MultiplePurposes" – in relation to a property, means the use of a property for more than one purpose as intended in section 9 of the Municipal Property Rates Act.

"Municipality" or **"Municipal Area"** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act No. 27 of 1998 as the municipal area pertaining to the Municipality.

"the Municipality" means Hessequa Local Municipality.

"Municipal Council" or **"Council"** shall mean the municipal council of Hessequa Local Municipality as referred to in Section 157(1) of the Constitution.

"Municipal Pay Point" means any municipal office in the area of jurisdiction of the Municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate.

"Municipal Manager" means the Municipal Manager of the Hessequa Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council.

"Municipal Services" means services provided either by the Municipality, or by an external agent on behalf of the Municipality in terms of a service delivery agreement.

"Municipal Tariff" shall mean a tariff for services which the Municipality may set for the provision of a service to the local community, and may include a surcharge on such service.

Tariffs for major services shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean al other tariffs, charges, fees, rentals or fines levied or imposed by the Municipality in respect of other services supplied including services incidental to the provision of the major services.

"Occupier" means any person who occupies, controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it.

"Open Space" - means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space.

"Owner" in relation to immovable property means -

(a) the person in whom is vested the legal title thereto provided that:-
    (i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;
    (ii) the occupier of immovable property occupied under a service servitude or right analogous thereto, shall be deemed to be the owner thereof;
(b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curator ship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee,

assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;

(c) if the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or if the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.

"Person" means a natural and juristic person, including any department of state, statutory bodies or foreign embassies.

"Premises" includes any piece of land, the external surface boundaries of which are delineated on:

(a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or

(b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, and which is situated within the area of jurisdiction of the Municipality.

"Prescribed" means prescribed by this Policy and where applicable by Council or the Municipal Manager.

"Prescribed debt" means debt that becomes extinguished by prescription in terms of the Prescription Act 68 of 1969.

"Private Open Space" means land that is privately owned and used for practicing of sport, play- or leisure facilities or used as a botanical garden, cemetery or nature area and which is joined as Private Open Space and which is joined as Private Open Space.

"Property" – means immovable property registered under separate title in terms of the provisions of the Deeds Registries Act, 1937 (Act 47 of 1937) in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person and includes unregistered land if the right of ownership can be determined;

"Public open space"—

(a) means land, with or without access control —

(i) owned by the Municipality or other public authority; and

(ii) set aside for the public as an open space for recreation or outdoor sport and designated as public open space; and

(b) includes a park, playground, public or urban square, picnic area; public garden, nature area and ancillary buildings and infrastructure.

"Rateable Property" shall mean property on which the Municipality may in terms of Section 2 of the Municipal Property Rates Act 2004 levy a rate, but excluding property fully excluded from the levying of rates in terms of Section 17 of that Act.

"Ratepayer" shall mean a person who is liable to the Municipality for the payment of (a) rates on property in the Municipality; (b) any other tax, duty or levy imposed by the Municipality; and/or (c) fees for services provided either by the Municipality or in terms of a service delivery agreement.

"Rates" means a municipal rate on property envisaged in section 229 (1) of the Constitution read with the Local Government: Municipal Property Rates Act 6 of 2004 and the Local Government: Municipal Finance Act 56 of 2003.

"Rebate" in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Municipal Property Rates Act, 2004 on the amount of the rate payable on the property.

"Reduction" - in respect of a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of that property at that lower amount.

"Refuse Charges" means service charges in respect of the collection and disposal of refuse.

"Registered Owner" means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, no. 47 of 1937.

"Responsible Person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges.

"Residential property" – means <u>improved</u> property that:-

(a) is included in the valuation roll in terms of section 48(2)(b) of the Act as residential in respect of which the primary use or permitted use is for residential purposes (60% or more), including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential

property for rate rebate or valuation reduction purposes, if still used dominantly for residential purposes; or

~~(b) is a unit registered in terms of the Sectional Title Act and is used predominantly for residential purposes; or~~

(b) is a unit registered in terms of the Sectional Titles Act, 95 of 1986, used predominantly for residential purposes, and includes any adjoining or adjacent development property registered in the name of the same owner and used together wirh such residential property as if it were one property.This use must indicate that the two properties cannot be dealt with as separate viable economic units and can only function as if they are one entity. Any such grouping shall be regarded as one residential property for rate rebate and valuation rebate purposes; or

(c) is owned by a share-block company and is used predominantly for residential purposes; or

(d) is an old age home used predominantly for residential purposes; or

(e) is a block of flats used predominantly for residential purposes; or

(f) is a hostel used predominantly for residential purposes; or

(g) is a residence used for residential purposes situated on a property used for or related educational purposes; or

(h) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act; or

(i) are retirement schemes and life right schemes used predominantly for residential purposes;

~~"Residential Unit" means an interconnected suite of rooms which does not include more than one kitchen, designed for the occupation and use by a single family and which may be part of a Residential Property containing two or more Residential units, attached or detached, registered in the name of the same owner and used together with such Residential Property as if it were one property.~~

"Rural area" means an area outside the urban edge;

"Second dwelling" means another dwelling that may, in terms of any legislation, be erected on a land unit where a dwelling unit is also permitted; and the second dwelling

may be a separate structure or attached to an outbuilding or may be contained in the same structure as the dwelling; provided that–

(a) a second dwelling unit may only be erected in the applicable zoning as a consent use; and

(b) the second dwelling unit must remain on the same land unit as the dwelling house and not be alienated separately.

"Service Charges" means the fees levied by the Municipality in terms of its Tariff Policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of this Policy.

"Service Delivery Agreement" means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.

"Sewerage Charges" means service charges in respect of the provision of sewerage collection and treatment of infrastructure.

~~**"Small Holding"** means:-~~

~~(a) all agricultural zoned land units situated within an urban region with an area of one to three hectares; or~~

~~(b) any agricultural zoned land unit situated outside an urban region with an area of three hectares or less.~~

"Smallholding" means an extensive landholding, including a dwelling house that is primarily a place of residence on which small scale agricultural activities may take place;

"State Owned Property" excludes any property included in the valuation roll under the category 'residential property' or 'vacant land'.

"Sundry Customer Accounts" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that were raised against a person as a result of an action by a person, and were raised in terms of Council's policies, bylaws and decisions.

"Supervisory Authority" means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Municipal Systems Act 32 of 2000.

"Tariff" means the scale of rates, taxes, duties, levies or other fees which may be imposed by the Municipality in respect of immovable property and/ or for municipal services provided.

"Tariff Policy" means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000.

"Tourist accommodation" means a harmoniously designed and built holiday development, used for holiday or recreational purposes, whether in private or public ownership, that—

(a) consists of a single enterprise that provides overnight accommodation by means of short-term rental or time sharing only;

(b) may include the provision of a camping site, caravan park, chalets or mobile home park, resort shop, private or public roads; and

(c) does not include a hotel and/or wellness centre;

provided that the use complies with the applicable zoning.

"Urban area" means an area inside the urban edge;

"Urban edge" means a demarcated line that may follow cadastral boundaries and that is designated as an urban edge in terms of an approved policy or plan;

"User" means the owner or occupier of a property in respect of which municipal services are being rendered;

"Vacant Property" – means any land without any improvements thereon; and

"Water Charges" means service charges in respect of the provision of water.

3. PURPOSE OF THE TARIFF POLICY

3.1 Apart from meeting legislative requirements, this Policy also emanates from the objectives determined in Council's anti-corruption strategy.

3.2 The purpose of this Tariff Policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by the Hessequa Local Municipality.

3.3 The Municipality should perform the procedures set out in this Policy to ensure the effective planning and management of tariffs. In setting its annual tariffs the council

shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

4. SCOPE OF APPLICATION

This Policy applies to all tariffs charged within the defined boundaries of Hessequa Local Municipality.

5. BASIC PRINCIPLES TO BE CONSIDERED IN DETERMINATION OF A TARIFF STRUCTURE

5.1 Service tariffs imposed by the local Municipality shall be viewed as user charges and not as taxes, and therefore the ability of the relevant customer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the Municipality from time to time).

5.2 The Municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

5.3 Tariffs for the four major services rendered by the Municipality, namely Electricity, Water, Sewerage and Refuse Removal, shall as far as possible recover the expenses associated with the rendering of each service concerned, and where feasible, generate a modest surplus as determined in each annual budget. Such surplus shall be applied in relief of property rates or for the future capital expansion of the service concerned, or both.

5.4 The tariff which a particular customer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

5.5 The Municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set out clearly the

Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and customers in the municipal region.

5.6 In line with the principles embodied in the Constitution, in other legislation pertaining to local government, and in the case of electricity approval by NERSA, the Municipality

may differentiate between different categories of users and customers in regard to the tariffs which it levies. Such differentiation shall however at all times be reasonable and shall be fully disclosed in each annual budget.

5.7 The Municipality's Tariff Policy shall be transparent, and the extent to which there is cross-subsidisation between categories of customers or users shall be evident to all customers or users of the service in question.

5.8 The Municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all customers and users affected by the Tariff Policy concerned.

5.9 The Municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

5.10 In the case of conventional metering systems for electricity and water, the consumption of such services shall be properly metered by the Municipality and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on customers shall be proportionate to the quantity of the service which they consume. In addition, the Municipality shall levy a monthly fixed charge for electricity and water services.

5.11 In adopting what is fundamentally a two-part tariff structure, namely a fixed basic charge coupled with a charge based on consumption, the Municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

5.12 In case of vacant stands, where the services are available but not connected, the Municipality shall levy a monthly availability charge which is levied because of fixed costs such as the capital and maintenance costs and insurance of infrastructure available for immediate connection. This principle also applies to vacant stands in areas serviced through conservancy or septic tanks.

5.13 In the case of property which has been subdivided , the individual erven will remain as part of the parent erf until such time that the properties are individually transported to new owners . A supplementary valuation will take place from time to time on the remainder of the parent erf and those erven newly registered to owners. Avallability fees will be chargrd on the parent erf as well as those individually registered to new owners.

5.14 The Municipality's tariffs for electricity services will be determined to ensure that those customers who are mainly responsible for peak demand, and therefore for the incurring

by the Municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. To this end the Municipality shall therefore install demand meters to measure the maximum demand of such customers during certain periods. These bulk customers shall therefore pay the relevant demand charge as well as an energy charge directly related to their actual consumption of electricity during the relevant metering period.

5.15 If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users in this policy, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best, taking into account the nature of the service concerned and the user or category of users involved.

6. FACTORS TO BE CONSIDERED IN THE DETERMINATION OF A TARIFF STRUCTURE

6.1 Financial Factors

6.1.1 The primary purpose of a tariff structure is to recover the actual costs of the rendering of a particular service, during each of the Municipality's specific financial years, to avoid cross subsidising of services.

6.1.2 In order to determine the tariffs which must be charged for the supply of the four major services, the Municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:-

6.1.2.1 Cost of bulk purchases in the case of water and electricity.

6.1.2.2 Distribution costs.

6.1.2.3 Distribution losses in the case of electricity and water.

6.1.2.4 Depreciation expenses.

6.1.2.5 Maintenance of infrastructure and other fixed assets.

6.1.2.6 Cost of approved indigent relief measures and cross subsidising of low consumption.

6.1.2.7 Administration and service costs, including:-

(a) service charges levied by other departments such as finance, human resources and legal services;

(b) reasonable general overheads, such as the costs associated with the Office of the Municipal Manager;

(c) adequate contributions to the provisions for bad debts and obsolescence of stock; and

(d) all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area.

(Note: the costs of the democratic process in the Municipality – that is, all expenses associated with the political structures of the Municipality – shall form part of the expenses to be financed from property rates and general revenue, and shall not be included in the costing of the major services of the Municipality).

6.1.2.8 The intended surplus to be generated for the financial year. Surplus to be applied:-

(a) as an appropriation to capital reserves; and/or

(b) generally in relief of rates.

6.2 Socio-economic factors

6.2.1 Although the determination of tariffs is in many instances politically orientated, it ought to be based on sound, transparent and objective principles at all times. In order to fully understand the influence of the socio-economic factors the various user categories and forms of subsidisation needs to be considered. Tariffs should also support business initiatives aimed at creating jobs or contribute to the economy of the area.

6.2.2 Users can be divided into the following categories:-

6.2.2.1 Users who are incapable to make any contribution towards the consumption of services and who are fully subsidised;

6.2.2.2 Users who are able to afford a partial contribution and who are partially subsidised only; and

6.2.2.3 Users who can afford the cost of the services in total.

6.2.3 It is important to identify these categories and to plan the tariff structures accordingly. Subsidies currently derived from two sources namely:-

6.2.3.1 Contributions from National Government: National Government makes an annual contribution according to a formula, which is primarily based on information obtained from Statistics South Africa by means of census surveys. If this contribution is judiciously utilised it will subsidise all indigent households who qualify in terms of the Council policy.

6.2.3.2 Contributions from own funds: The Council can, if the contribution of National Government is insufficient, provide in its own operational budget for such support. Such action will in all probability result in increased tariffs for the larger users. Any subsidy must be made known publicly.

6.2.4 To make provision for subsidisation the tariff structure can be compiled as follow:-

6.2.4.1 Totally free services (within limits and guide lines);

6.2.4.2 Lower tariffs for users who qualify in terms of particular guide lines, for example to recover the operational costs of the service only; and

6.2.4.3 Full tariff payable with a subsidy that is transferable from sources as mentioned above.

6.3 Minimum service levels

It is important that minimum service levels be determined in order to calculate and develop an affordable tariff package available to all potential users.

6.4 Credit Control

6.4.1 It is not possible to successfully compile a tariff structure without consideration of the stipulations of an effective credit control system. Income is provided for in the budget as if a 100% payment level will be maintained. It is therefore important to continuously ensure that users indeed pay punctually. Non payment has a direct effect in that provision for bad debt, in accordance with current payment levels, must be provided as expenditure in the budget.

6.4.2 However, it is also a fact that there are users who are unable to pay. Tariffs must therefore provide access to a minimum level of basic services for all users. It should furthermore be supplemented with a practical policy for indigents. This will ensure the sustainable delivery of services. In addition, adequate provision should be made on an annual basis for bad debt/ working capital in accordance with current payment levels.

6.5 Package of services

6.5.1 The accounts for rates and services must not be seen in isolation. It must be considered jointly to determine the most affordable amount that the different users can pay as a total account. The basic costs of a service must first of all be recovered and then only can surpluses be manipulated to determine the most economic package for the user with due allowance for future events in regard to a particular service.

6.6 Historical and future user patterns

It is important to keep accurate consumption statistics for the purpose of determining tariffs. Consumption determines tendencies, which ultimately have an influence on tariffs within a structure. Provision should be made in the process for growth and seasonal use, as well as for unforeseen events that may have an impact on tariffs.

6.7 User groups

6.7.1 Users are traditionally divided into user groups as set out below:-

6.7.1.1 Domestic (Residential);

6.7.1.2 Businesses/ Commercial;

6.7.1.3 Guest Accommodation/mixed use;

6.7.1.4 Industries/Bulk customers;

6.7.1.5 Farm properties (agricultural);

6.7.1.6 Municipal consumption (departmental charges);

6.7.1.7 Institutions that may be directly subsidised for example retirement homes, schools and hostels, sport organisations, etcetera; and

6.7.1.8 Special arrangements for specific developments as may be determined by Council from time to time.

6.7.2 A continuous effort should be made to group together those users who have more or less the same access to a specific service.

7. FREE BASIC SERVICES

7.1 Free basic municipal services refers to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment.

7.2 In terms of the South African Constitution all customers should have access to basic services. Currently, the free basic services provided to the domestic customers within the Hessequa Local Municipality are as follows: -

7.2.1 The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

7.2.2 The general threshold for indigent support is restricted to qualifying households with a combined income amount determined by Council at the beginning of every financial year and will be applied for the duration of that particular financial year.

7.2.3 The Municipality recognises the following five levels of indigent support:-

7.2.3.1 Category A - Support to qualifying households where the combined total gross income of the registered owner/ tenant and his/her spouse or life companion is equal or less to the minimum amount as determined by Council from time to time.

7.2.3.2 Category B - Support to qualifying households where the combined total gross income of the registered owner/ tenant and his/her spouse or life companion is within the extended amount as determined by Council from time to time.

7.2.3.3 Category C - <u>Care centres where elderly care is provided.</u> The subsidy will be restricted to a fixed amount per month determined by Council at the beginning of every financial year per resident with an income equal or lower than the income amount determined by Council at the beginning of every financial year. The indigent assistance is rendered in the form of credit on the monthly electricity levy payable by the management of the particular institution. The total subsidy should not exceed the total monthly municipal account.

7.2.3.4 Category D – Indigent household tenants not receiving municipal accounts. Support to qualifying households where the combined total gross income of the registered tenant and his/her spouse or life companion is equal or less to the minimum amount or within the extended amount as determined by Council from time to time. The indigent assistance is rendered in the form of credit on the monthly municipal account payable by the owner of the property. The total subsidy should not exceed the total monthly municipal account.

7.2.3.5 Category E – Churches who are registered on the National Register Of Independent Churches. Where more than 50% of the members of that congregation are registered as indigents in terms of the Council's Indigent Policy the property will be subsidised in terms of all basic services charges only.

8. TARIFF STRUCTURES FOR VARIOUS SERVICES

8.1 It is essential that a compromise be reached between the following needs with the determination of a tariff structure: -

8.1.1 The need to reflect costs as accurately as possible in order to achieve cost effectiveness;

8.1.2 The need to ensure equality and fairness between user groups;

8.1.3 The need for a practically implementable tariff;

8.1.4 The need to use appropriate metering and provisioning technology;

8.1.5 The need for an understandable tariff; and

8.1.6 The user's ability to pay.

8.2 Taking into consideration the abovementioned points the tariff structure of the following services are discussed:-

8.2.1 Electricity.

8.2.2 Water.

8.2.3 Refuse Removal.

8.2.4 Sewerage.

8.2.5 Property Rates.

8.3 Electricity

8.3.1 To calculate the tariff for electricity, the actual cost incurred in the supply of electricity to the community, has to be taken into consideration. The principle of basic levies as well as a per unit tariff for electricity is determined by the cost structure. This cost structure consists of the following components:-

8.3.1.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any electricity has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of electricity, costs of capital, maintenance cost, ~~and~~ insurance that is payable in respect of the infrastructure, and fixed Eskom purchase costs. These costs must be recovered whether any electricity is used or not.

The costs are therefore recovered by means of a fixed levy per period (normally levied as a monthly basic charge) in order to ensure that these costs are covered.

8.3.1.2 Variable costs: It relates to the physical provision of electricity according to consumption/ demand and must be financed by means of a unit tariff which is payable per kWh/kVA~~KVA~~ electricity consumed.

8.3.1.3 Profit taking: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

8.3.2 The following tariff structures were basically used for the determination of tariffs:-

8.3.2.1 Inclining block tariff (IBT) tariff structure where customer's consumption is divided into blocks and each subsequent block has a higher energy rate (c/kWh). The tariff structure has been set by NERSA in order to protect/ cross-subsidise low income domestic customers and to promote energy efficiency.

8.3.2.2 Two part tariff for Domestic, Commercial and Business Customers (consist of a basic fixed cost) monthly charge and a variable charge related to metered kWh consumption):-

- Energy rate (c/kWh); and
- Basic monthly charge (R/month).

8.3.2.3 Three part tariff for Industrial and Bulk Customers (consist of a basic monthly charge, demand charge and a variable charge related to metered kWh consumption):-

- Energy rate (c/kWh);
- Basic monthly charge (R/month); and
- Demand charge (R/kVA/month ~~R/KVA month~~ – recovers capital costs elements).

8.3.2.4 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

8.3.3 An availability charge is payable on all properties (irrespective of the category), where a connection to the electricity network is possible at the cost of the Municipality, but not in use. This fee aims to recoup capital and maintenance costs in respect of such properties. If the owner connects the service with the intention to improve the property the debit will be adjusted pro-rata from the date of the connection.

8.4 Water

8.4.1 Water is a scarce commodity with little alternatives available. Tariff structures should therefore be aimed at the reduction of consumption. In order to restrict consumption, an inclining block rate tariff structure with a basic fee is applied.

In principle, the amount that users pay for water services should generally be in proportion to their use of water services. Tariffs must be set at levels that facilitate the sustainability of the service.

8.4.2 To calculate the tariff for water, the actual cost incurred in the supply of water to the community, has to be taken into consideration. The principle of basic levies as well as a kilolitre tariff for water is determined by the cost structure.

8.4.3 Similar to electricity, this cost structure consists of the following components:-

8.4.3.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any water has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of water, costs of capital and insurance that is payable in respect of the infra structure. These costs must be recovered whether any water is used or not. The costs are therefore recovered by means of a fixed levy per

period (normally on a monthly basis) in order to ensure that these costs are covered.

8.4.3.2 Variable costs: It relates to the physical provision of water according to demand and must be financed by means of a unit tariff which is payable per kilolitre water consumed.

8.4.3.3 Profit taking: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

8.4.4 The following tariff structures were basically used for the determination of tariffs:-

8.4.4.1 Single-leg water consumption for users with pre-paid meters; and

8.4.4.2 Two-leg tariff consisting of a basic charge based on the size of the water connection and consumption for users with conventional meters.

8.4.4.3 An availability charge is payable on all properties (irrespective of the category), where a connection to the water network is possible at the cost of the Municipality, but not in use. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects and improve the property the debit will be adjusted pro-rata from the date of the connection.

8.4.4.4 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

8.5 Refuse Removal

8.5.1 Refuse removal is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

8.5.2 Where a refuse removal service is available, whether such service is used or not, a tariff equal to the monthly tariff based on the category of property as determined in the valuation roll shall be levied.

8.5.3 The tariff levied by Hessequa Local Municipality is based on the category of property as determined in the valuation roll.

8.5.4 The following tariff structures were used for the determination of basic tariffs in urban areas:-

8.5.4.1 Residential (domestic customers) – maximum of one removal per week (black bag system).

8.5.4.2 Guest Accommodation establishments – maximum of two removals per week

8.5.4.3 Business/Commercial/Industrial – maximum of two removals per week.

8.5.4.4 Business/Commercial/Industrial (Bulk) - maximum of three removals per week.

8.5.4.5 Business/Commercial/Industrial (Bulk) - four or more, with a maximum of seven removals per week.

8.5.4.6 Additional removals – More than the maximum removals as per 8.5.4.1 - 8.5.4.3.

8.5.4.7 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements;

8.5.5 The following tariff structures were used for the determination of basic tariffs in rural areas:-

8.5.5.1 Removal from tansfer stations – Residential / Business / Commercial / Industrial (black bag system)

8.5.5.2 Dumping at a dumping site – Residential / Business / Commercial / Industrial (black bag system)

8.5.5.3 Special agreements – Determined and approved by Council from time to time

8.6 Sewerage

8.6.1 Sewer service is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

8.6.2 The following tariff structures were basically used for the determination of tariffs:-

8.6.2.1 The tariff levied for waterborne sewerage systems is based on the size of the water connection.

8.6.2.2 The basic tariff levied for conservancy tanks, septic tanks and french drains ~~will consist of a basic charge plus a fixed amount per withdrawal.~~ is based on the size of the water connection plus a fixed amount for each withdrawal in access of the first five monthly withdrawals.

8.6.2.3 An availability charge is payable on all properties (irrespective of the category), where a connection to the sewer network is possible at the cost of the Municipality, but not in use. This fee aims to recoup capital and maintenance

costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects and improve the property the debit will be adjusted pro-rata from the date of the connection.

8.6.2.4 However, owners of vacant stands in an area serviced through conservancy tanks, septic tanks or french drains only, will not pay the availability tariff for waterborne sewerage but only pay the basic tariff for septic tanks.

8.6.2.5 Customers in an area serviced through a waterborne sewerage network who prefer not to connect to such a service but remain with a conservancy tank, septic tank or french drain will be charged the monthly basic tariff for a 50mm water connection and not the basic tariff for septic tanks. In addition, such customers will also pay ~~a fixed~~ the fee ~~per~~ for more than five withdrawals.

8.6.2.6 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

8.7 Property Rates

8.7.1 The rate levied by the Municipality will be a cent amount in the Rand based on the market value of the property.

8.7.2 In terms of the Municipal Property Rates Act, 2004 the Municipality may levy different rates for different categories of rateable property. Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and by way of reductions and rebates as provided for in the Municipality's Property Rates Policy.

8.7.3 In terms of section 17 (1) (e) of the MFMA the Municipality's Property Rates Policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

9 ELECTRICITY TARIFF POLICY

Electricity is supplied under a distribution license, granted by NERSA for a specific area of jurisdiction, which regulates inter alia the following aspects:-

a. Classification of customer categories.

b. Permissible tariff structure options are determined at a national level and distributors are obliged to apply these structures to obtain uniformity.

c. All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor.

9.1 Domestic Customers

This tariff covers the supply of electricity for domestic use in Dwelling Units (flats included) with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises.

This tariff is applied for circuit breaker sizes not in excess of 63A single phase or 63A three phase. Should customers require supplies in excess hereof, the Commercial Customer or Bulk Supply tariff will be applicable. A phased approach will be implemented to convert existing customers who have traditionally been charged at different tariffs towards these criteria.

9.1.1 Customers with Conventional Meters

9.1.1.1 Customers with conventional meters are billed as follow:-

(a) An availability charge is payable on all properties (irrespective of the category), where a connection to the electricity network is possible, but not in use.

(b) Two part tariff:

i. Basic monthly charge (R/month). The basic charge is determined by the category within which the consumer's tariff circuit breaker size ~~on the meter itself~~ falls, i.e. 0 to 32A, 33 to 45A, 46 to 63A and 64 to 80A for single, and 0 to 32A; 33 to 45A: 46 to 63A and 64 to 80A for three phase.

ii. Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh consumed which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

(c) A customer who chooses to make use of alternative energy is still liable for paying the applicable basic charge ~~tariff~~.

9.1.2 Pre-paid Customers

9.1.2.1 Prepaid users are charged based on a Two part tariff:-

i. The basic charge is determined by the category within which the consumer's pre-payment meter trip setting falls, i.e. 0 to 32A, 33 to 45A, 46 to 63A and 64 to 80A for single phase and 0 to 32A, 33 to 45A and 46 to 63A for three phase. The basic charge will not be billed monthly but collected when customers purchase electricity at any given time as follow:-

The basic charge is ~~Daily service charge~~ payable pro-rata at each purchase transaction. The total pro-rata amount ~~service charge~~ payable at each transaction is calculated by the prepayment vending system using the number of days between the previous and present purchases. This ~~daily~~ pro rata amount is ~~basic charge must~~ first ~~be~~ subtracted from the amount tendered, and kWh are issued for the balance~~remainder~~ of the amount. Consumers will therefore find that they do not receive the same quantity ~~amount~~ of kWh for the same rand value tendered if the number of days between different purchase~~s~~ transactions varies.

Pre-paid customers have the option to ~~can~~ pay the basic ~~daily service~~ charge monthly in advance when purchasing pre-paid electricity for the first time each month.

ii. Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh purchased, which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

The inclining block rates is another reason why Consumers may not receive the same quantity of kWh for the same rand value tendered during different purchase transactions.

9.1.2.2 As an option, consumers that are in the category single-phase, non-indigent households 21-32A, or consumers who downgrade to this category ~~the category single-phase, non-indigent households 21-32A~~, have the opportunity to convert to an alternative ~~a~~ one part tariff by choice. Such pre-paid users are charged at an inclining block tariff per unit based on the number of kWh purchased, which is determined as follows:

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

The energy rates for this tariff are generally higher than the rates for the Two part tariff, since the fixed costs (or a portion thereof) have been included in these rates.

9.1.2.3 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases.

9.1.2.4 The basic charge ~~levy~~ outstanding on the pre-payment system will be billed on the last day of June and December of every year on the Venus Financial System and the normal credit control measures will apply.

9.1.2.5 Registered Indigents receive a number of kWh units fully subsidised every month, as determined by Council on an annual basis. Where possible, Council may limit the supply to indigent customers to a 20A single phase circuit breaker size. Indigents do not pay a Basic Charge or Service Charge.

9.2 Commercial/ Business Customers

This tariff covers the supply of electricity to shops, office buildings, hotels, clubs, industrial undertakings, builder's supplies or similar premises.

The tariff is normally for circuit breaker sizes not in excess of 63A single phase or 100A three phase. Should customers require supplies in excess hereof, the Bulk Supply tariff will be applicable. A phased approach will be implemented to convert existing customers who have traditionally been charged at different tariffs towards these criteria.

9.2.1 Customers with Conventional Meters

9.2.1.1 Customers with conventional meters are billed as follow:-

(a) An availability charge is payable on all properties (irrespective of the category), where a connection to the electricity network is possible at the cost of the Municipality, but not in use.

(b) Two part tariff:

i. Basic monthly charge (R/month). The basic charge is determined by the category within which the consumer's tariff circuit breaker size ~~on the meter itself~~ falls, i.e. 0 to 32A, 33 to 45A, 46 to 63A and 64 to 80A for single phase, and 0 to 32A, 33 to 45A, 46 to 63A, 64 to 100A for three phase.

ii. Energy rate (c/kWh). The energy rate is charged at a single rate tariff per unit based on the number of kWh consumed.

(c) A customer who chooses to make use of alternative energy is still liable for paying the applicable basic charge ~~tariff~~.

9.2.2 Pre-paid Customers

9.2.2.1 Prepaid users~~, if applicable,~~ are charged on a Two part tariff:

i. Basic monthly charge (R/month). The basic charge is determined by the category within which the consumer's pre-payment meter trip setting falls, i.e. 0 to 32A; 33 to 45A; 46 to 63A and 64 to 100A for single phase and 0 to 32A, 33 to 45A, 46 to 63A and 64 to 100A for three phase. The basic charge will not be billed monthly but collected when customers purchase electricity at any given time as follow:-

The basic charge is ~~Daily service charge~~ payable pro-rata at each purchase transaction. The total pro-rata amount ~~service charge~~ payable at each transaction is calculated by the prepayment vending system using the

number of days between the previous and present purchases. This ~~daily~~ pro rata amount is ~~basic charge must~~ first ~~be~~ subtracted from the amount tendered, and kWh are issued for the balance ~~remainde~~r of the amount. Consumers will therefore find that they do not receive the same quantity ~~amount~~ of kWh for the same rand value tendered if the number of days between different purchase~~s~~ transactions varies.

Pre-paid customers have the option to ~~can~~ pay the basic ~~daily service~~ charge monthly in advance when purchasing pre-paid electricity for the first time each month.

ii. Energy rate (c/kWh). The energy rate is charged on a single rate per unit based on the number of kWh purchased.

9.2.2.2 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases.

9.2.2.3 The basic charge ~~levy~~ outstanding for six months plus, on the pre-payment system at 30 June and 31 December each year, will be billed in the following months on the Venus Financial System and the normal credit control measures will apply.

9.3 Small Prepaid Electricity Consumers

9.3.1 The following criteria is applicable to small prepaid electricity consumers.

a) Electricity units must be purchased on a monthly basis.

b) The consumption from 1 January to 31 December of each calendar year will be used to identify small consumers.

c) Purchases cannot exceed 150kwh per month.

d) The applicable tariff will apply for the whole of the budget year, and will be reviewed annually during the budget process.

e) 50% of the basic charge ~~tariff~~ in respect of all ampere sizes will be paid as applicable to normal consumers.

f) The circuit breakers of households who fall within this category and has low electricity consumption will be downgraded free of charge to bring

relief on the basic charge~~tariffs~~. (Owners will have to apply for this, and must ensure that the household/s can function with the downgraded circuit breaker).

9.4 Industrial/ Bulk Customers

9.4.1 The Bulk Supply tariff is for Customers with a notified maximum demand of 71kVA or more or who require a supply greater than a 100Amp three phase circuit breaker size.

9.4.2 These customers are billed as follow:-

9.4.2.1 Three part tariff.

(a) Basic ~~Fixed~~ monthly charge (R/month).

(b) Demand charge (R/kVA/month). The demand charge is charged on the maximum demand reading registered monthly on the consumption meter. ~~(R/kVA month – recovers capital costs elements)~~.

(c) Energy rate (c/kWh). The energy rate is charged at a single rate tariff per unit based on the number of kWh consumed.

(d) A customer who chooses to make use of alternative energy is still liable for paying the applicable fixed monthly charge.

9.5 Equalizing / Removal of circuit breaker categories

In accordance with the requirements of NERSA to reduce the number of available tariffs, the following action plan has been put in place:

9.5.1 No new consumers will be allowed on the Domestic single and three phase 33A to 45A and 64 to 80A categories.

9.5.2 No new consumers will be allowed on the Commercial single phase 33A to 45A and 64 to 100A categories. No new consumers will be allowed on the Commercial three phase 33A to 45A category.

9.5.3 The basic charges of the 33A to 45A and the 46A to 63A categories will be equalized over the next three years by increasing the former charge until it equals the latter charge. Once these charges have been equalized, there will be only one category, i.e. 33A to 63A.

9.5.4 The basic charges of the Domestic single and three phase 64 to 80A categories, as well as the Commercial single phase 64A to 100A category will be increased annually at more than the average towards the charges of the next available tariff option.

9.5.5 Consumers are encouraged to downgrade to either 32A or 63A as applicable. The Municipality may consider replacing circuit breakers or to reduce the prepayment

meter setting at no cost to the Consumer. Downgrading will result in a much lower basic charge, but Consumers may have to make adjustments to their usage pattern so as to comply with the reduced amperage.

9.6 Farm Properties (Agricultural)

These customers are billed as per the agricultural tariffs submitted to and approved by NERSA for the 2016/17 financial year.

9.7 Streetlights

An energy rate (c/kWh) will be applied per streetlight metering point.

9.8 Special Arrangements

Other tariffs may be applicable which has been determined by the Town Engineer or Council by special agreement with specific clients. This will only be considered when special circumstances prevail.

9.9 Departmental

The respective Commercial and Bulk Supply tariffs, for basic and consumption, as per paragraphs 9.2 and 9.4 above will be applicable to all municipal buildings, pump stations, waste water works, water treatment works, etc.

9.10 Electricity sundry tariffs

All other electricity related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

10. WATER TARIFF POLICY

A decision to equalise tariffs was already taken in 2001 by Council. This resolution was only implemented on 1 July 2011 with no phase in process.

10.1 Domestic / Commercial / Business / Industry / Guest / Tourist Accommodation

10.1.1 Customers are billed as follow:-

10.1.1.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the water network is possible at the cost of the Municipality, but not in use.

10.1.1.2 A basic charge is payable on all properties that are connected to the water network based on the size of the water connection, regardless of whether any water is used. ~~This does not apply to properties on which two or more Sectional Title Units / Residential Units/ Flats/ Lettable Business or Commercial Units / have been erected, where section 10.4.1 will apply.~~ This does not apply to properties, on which special arrangements as contemplated in paragraph 10.4 apply

10.1.1.3 Non-indigent consumers who have pre-paid water meters will pay the basic monthly tariff.

10.1.1.4 Registered Indigents receive their basic levy for water either fully or 50% subsidised every month, as determined by Council on an annual basis.

10.1.1.5 Registered Indigents receive an amount of water fully subsidised every month, as determined by Council on an annual basis.

10.1.1.6 Installation of prepaid water meters are only allowed for registered indigents and in approved low cost housing schemes.

10.1.1.7 Customers are billed for consumption based on the amount of water used by way of a step tariff (tariff 7.14) per kilolitre usage in the following blocks:-

(a) 1 to 6 kl – Registered Indigent Domestic Customers Only

(b) 7 to 15 kl - Registered Indigent Domestic Customers Only

(c) 1 to 15 kl – All Non-Indigent Registered Domestic Customers/Commercial/ Business

(d) 16 to 30 kl -All Domestic/Commercial/Business

(e) 31 to 40 kl -All Domestic/Commercial/Business

(f) 41 to 50 kl -All Domestic/Commercial/Business

(g) 51 to 70 kl -All Domestic/Commercial/Business

(h) 71 kl and above - All Domestic/Commercial/Business

10.2 Old Age Homes/Schools/ Sports Clubs

10.2.1 Customers are billed as follow:-

10.2.1.1 An availability charge is payable on all properties, where a connection to the water reticulation network is possible, but not in use.

10.2.1.2 A basic charge is payable on all properties that are connected to the water network based on the size of the water connection, regardless of whether any water is used.

10.2.1.3 Customers are billed for consumption based on the amount of water used by way of a step tariff (tariff 10) per kilolitre usage in the following blocks:-

(a) 1 to 70kl

(b) 70 to 90kl

(c) 91kl and above

10.3 All other Customers

10.3.1 All other customers are billed as follow:-

10.3.1.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the water reticulation network is possible, but not in use.

10.3.1.2 A basic charge is payable on all connections, based on the size of the water connection.

10.3.1.3 Customers are billed for consumption at a fixed tariff per kilolitre based on the number of kilolitres consumed (Tariff 7.14).

10.4 Special Arrangements

10.4.1 Where two or more Sectional Title Units / Dwelling Units/ Flats/ Lettable Business or Commercial Units are feeding from one main, irrespective of the number of water connections to a property, the relevant basic charge will be determined as follows:-

10.4.1.1 Sectional Title Units (Residential and Business)

A fixed basic charge, as determined by Council on an annual basis, is payable for each Sectional Title Unit (Residential and Business) whichis connected to the water network, and will be levied based on the size of the smallest water connection (20mm), regardless of whether any water is used.

10.4.1.2 Dwelling Units

A fixed basic charge, as determined by Council on an annual basis, will be levied on each Primary Dwelling Unit and each additional Dwelling Unit per

the building plan register, up to a maximum of five (5) additional Dwelling Units. The tariff structure for this purpose is as follows:

~~a) Primary Dwelling House + 1 Additional Dwelling unit;~~
~~b) Primary Dwelling House + 2 Additional Dwelling units;~~
~~c) Primary Dwelling House + 3 Additional Dwelling units;~~
~~d) Primary Dwelling House + 4 Additional Dwelling units;~~
~~e) Primary Dwelling House + 5 Additional Dwelling units;~~

a) Primary Dwelling Unit + 1 Additional Dwelling Unit.

Additional charges will be levied per dwelling unit for each additional dwelling unit.

10.4.1.3 Duet Units

A fixed basic charge, as determined by Council on an annual basis, will be levied on each Duet Residential Unit per the building plan register

10.4.1.4 Lettable Business or Commercial Units

A fixed basic charge, as determined by Council on an annual basis, will be levied on each additional Lettable Business or Commercial Unit as per the building plan register, up to a maximum of ten (10) additional Lettable Business or Commercial Units. The tariff structure for this purpose is as follows:

a) 2 Lettable Business or Commercial Units
b) 3 Lettable Business or Commercial Units
c) 4 Lettable Business or Commercial Units
d) 5 Lettable Business or Commercial Units
e) 6 Lettable Business or Commercial Units
f) 7 Lettable Business or Commercial Units
g) 8 Lettable Business or Commercial Units
h) 9 Lettable Business or Commercial Units
i) 10 Lettable Business or Commercial Units

j) 11 and more Lettable Business or Commercial Units;

This does not apply to Flats which form part of such business premises, which are levied in terms of ~~10.4.1.4.~~ 10.4.1.5.

10.4.1.5 Flats

A fixed basic charge, as determined by Council on an annual basis, is payable for each Flat which is connected to the water network, and will be levied based on the size of the smallest water connection (20mm), regardless of whether any water is used.

10.4.1.6 Customers in 10.4.1.1 to 10.4.1.5 are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage as per 10.1.1.7.

10.4.2 Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual owners/sectional title owners may apply, if it is a first application, before the 31st of December of the year preceding the financial year for which the rebate is applied for, in writing, for a rebate on the basic charges levied for water. If approved a rebate of 20% will be applied. If no application is received the full basic charges will be levied. Applications have to be submitted once only.

10.4.3 Private flat owners with eleven or more units who take responsibility for the payment of the full account of the property in respect of basic water, basic sewerage and refuse removal services may apply in writing for a 20% rebate on the basic charge for water.

10.4.4 Other tariffs may be applicable which has been determined by the Town Engineer or Council by special agreement with specific clients. This will only be considered when special circumstances prevail.

10.4.5 The municipality may from time to time grant a rebate on payments for basic services (water, sanitation and refuse removal), provided that such institutions are lessees of municipal property (excluding halls and sports grounds) and the Head: Property Administration must provide a list of such rebate recipients to the CFO not later than the last day of January of each year.

10.5 Water Delivery in Rural Areas

10.5.1 Customers are billed as follow:-

10.5.1.1 A fixed predetermined amount will be charged per kilometre to cover the transport.

10.5.1.2 The actual man hour cost to cover the total cost of employment.

10.5.1.3 The actual cost of the water based on the applicable tariff for purified or raw water as charged for all other customers (see ~~10.2.1.3~~ 10.3.1.3).

10.5.1.4 A surcharge of 20% on the total cost of the transaction.

10.6 Water Restrictions

10.6.1 The availability of bulk water resources will be monitored throughout the year by Council.

10.6.2 When so required, Council will take a resolution to implement water restrictions.

10.6.3 Any penalties payable on water consumption as a result of water restrictions will be implemented in the month following the Council resolution; regardless of the meter reading dates.

10.7 Departmental

The respective Domestic/Commercial/Business tariffs, for consumption only, as per paragraph 10.1.1.7 above will be applicable to all municipal buildings, pump stations, waste water works, water treatment works, etc.

10.8 Water Sundry Tariffs

All other water related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

11. REFUSE TARIFF POLICY

11.1 Refuse Removal Tariffs

11.1.1 The Council has determined the following categories for refuse removal in urban areas:-

11.1.1.1 Residential (domestic customers) – maximum of one removal per week (black bag system).

11.1.1.2 Guest/Tourist Accommodation – maximum of two removals per week

11.1.1.3 Business/Commercial/Industrial – maximum of two removals per week.

11.1.1.4 Business/Commercial/Industrial (Bulk) - maximum of three removals per week.

11.1.1.5 Business/Commercial/Industrial (Bulk) - four or more, with a maximum of seven removals per week.

11.1.1.6 Additional removals – More than the maximum removals as per 11.1.1.1 – 11.1.1.5

11.1.1.7 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements;

11.1.2 Registered Indigents receive their residential refuse removal service either fully or 50% subsidised every month, as determined by Council on an annual basis.

11.1.3 The Council has determined the follwing categories for refuse removal in rural areas:

11.1.3.1 Removal from tansfer stations – Residential / Business / Commercial / Industrial (black bag system)

11.1.3.2 Dumping at a dumping site – Residential / Business / Commercial / Industrial (black bag system)

11.1.3.3 Special agreements – Determined and approved by Council from time to time

11.2 Special Arrangements

11.2.1 Where two or more Sectional Title Units / Dwelling Units/Flats/Lettable Business or Commercial Units on a premises make use of the compulsory solid waste disposal service available to the Sectional Title Units/Residential Units/Flats/Lettable Business or Commercial Units, the relevant basic charge will be determined as follows:

11.2.1.1 Sectional Title Units (Residential and Business)

A fixed basic charge, as determined by Council on an annual basis, is payable for each Sectional Title Unit (Residential and Business) which has a central collection point,as per paragraph 11.1.1 of this Policy.

11.2.1.2 ~~Residential~~ Dwelling Units

~~A fixed basic charge, based on a maximum of one removal per week as determined by Council on an annual basis, will be levied on each additional Residential Unit as per the building plan register, up to a maximum of five (5) additional Residential Units. The tariff structure for this purpose is as follows:~~

~~a) Primary Dwelling House + 1 Additional Dwelling unit;~~
~~b) Primary Dwelling House + 2 Additional Dwelling units;~~
~~c) Primary Dwelling House + 3 Additional Dwelling units;~~
~~d) Primary Dwelling House + 4 Additional Dwelling units;~~
~~e) Primary Dwelling House + 5 Additional Dwelling units;~~

A fixed basic charge, as determined by Council on an annual basis, will be levied on each Primary Dwelling Unit and each additional Dwelling Unit per the building plan register, up to a maximum of five (5) additional Dwelling Units.

The tariff structure for this purpose is as follows:

a) Primary Dwelling Unit + 1 Additional Dwelling unit.

Additional charges will be levied per dwelling unit for each additional dwelling unit.

11.2.1.3 Duet Units

A fixed basic charge, based on a maximum of one removal per week as determined by Council on an annual basis, will be levied on each Duet Residential Unit per the building plan register.

11.2.1.4 Lettable Business or Commercial Units

A fixed basic charge, based on a maximum of two removals per week as determined by Council on an annual basis, plus an additional levy on each additional Lettable Business or Commercial Unit as per the building plan register, up to a maximum of ten (10) additional Lettable Business or Commercial Units. The tariff structure for this purpose is as follows:

a) 2 Lettable Business or Commercial Units

b) 3 Lettable Business or Commercial Units

c) 4 Lettable Business or Commercial Units

d) 5 Lettable Business or Commercial Units

e) 6 Lettable Business or Commercial Units

f) 7 Lettable Business or Commercial Units

g) 8 Lettable Business or Commercial Units

h) 9 Lettable Business or Commercial Units

i) 10 Lettable Business or Commercial Units

j) 11 and more Lettable Business or Commercial Units;

This does not apply to Flats which form part of such business premises, which are levied in terms of 11.2.1.5.

11.2.1.5 Flats

A fixed basic charge, based on a maximum of one removal per week as determined by Council on an annual basis, is payable for each Flat which makes use of a central collection point.

11.2.2 Body Corporates and owners of flats who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual owners/ sectional title owners/tenants may apply, if it is a first application, before the 31st of December of the year preceding the financial year for which the rebate is applied for, in writing for a rebate on refuse removal charges. To qualify, a central collection point for refuse as agreed with Council must have been created. If approved, a rebate of 20% will be applied. If no application is received the full charges will be levied. Applications have to be submitted once only

11.2.2.1 Special tariff arrangements determined and approved by Council from time to time for specific developments. In terms of the current arrangements, all developments with eleven or more units that have created a central collection point for refuse as agreed with Council may qualify for a reduced tariff as determined by Council on an annual basis. The Body Corporate or individual owners may apply, before the 31st of December of the year preceding the financial year for which the rebate is applied for, in writing for a rebate. If approved, a rebate of 20% will be applied. If no application is received the full charges will be levied.

11.2.2.2 The rebate referred to in 11.2.2 and 11.2.2.1 is mutually exclusive and only one application can be made in terms of a rebate in refuse tariffs.

11.2.3 Other tariffs may be applicable which has been determined by the Town Engineer or Council by special agreement with specific clients. This will only be considered when special circumstances prevail.

11.3 Departmental

The respective **Residential** and Business/ Commercial/ Industrial (Non – Bulk) tariffs as per paragraphs 11.1.1.1 and 11.1.1.3 above will be applicable to all municipal buildings, pump stations, waste water works, water treatment works, etc.

11.4 Refuse Removal Sundry Tariffs

All other refuse removal related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

12. SEWERAGE TARIFF POLICY

Domestic / Commercial / Business/Industry / Guest / Tourist Accommodation

12.1 Waterborne Sewerage Systems

12.1.1 An availability charge is payable on all properties (irrespective of the category), where a connection to the sewer network is possible at the cost of the Municipality, but not in use.

12.1.2 The Council charges a basic monthly fee per property based on the size (mm) of the water connection(s) for a specific property. This does not apply to properties on which two or more Sectional Title Units/Dwelling ~~Residential~~ Units/Flats/Lettable Business or Commercial Units have been erected, where section 12.4.1 will apply.

12.1.3 Registered Indigents receive their basic levy for sewerage service either fully or 50% subsidised every month, as determined by Council on an annual basis.

12.2 Conservancy Tanks/Septic Tanks/French Drains

12.2.1 An availability charge is payable on all properties, (irrespective of the category), where installation by the owner and servicing by the Municipality, of a Conservancy Tank/Septic Tank or French Drain is possible, but not in use.

12.2.2 A monthly basic charge is payable on all installations. In case where Council is unable to render a withdrawal service due to the premises being not accessible no monthly basic charge will be payable.

12.2.3 Customers in an area serviced through a waterborne sewerage network who prefer not to connect to such a service but remain with a conservancy tank, septic tank or french drain will be charged the monthly basic tariff for a 50mm water connection and not the basic charge for septic tanks.

12.2.4 The Council charges a fixed fee per withdrawal in access of the first five (5) monthly withdrawals.

12.2.5 Vacant stands in an area serviced through conservancy tanks, septic tanks or french drains will pay an availability charge which is equal to the basic tariff for septic tanks.

12.2.6 The subsidy for registered indigents will also be applicable to qualifying indigents with no waterborne sewerage but serviced through conservancy tanks, septic tanks or french drains. The subsidy will be restricted to the basic levy for conservancy tanks, septic tanks or french drains. ~~as well as one withdrawal per month.~~

12.3 Withdrawal of Conservancy Tanks/ Septic Tanks/ French Drains in Rural Areas

12.3.1 Customers are billed as follow:-

12.3.1.1 A fixed predetermined amount will be charged per kilometre to cover the transport.

12.3.1.2 The actual man hour cost to cover the total cost of employment.

12.3.1.3 The fixed fee per withdrawal, as detemined by Council on an annual basis (sewerage tariff 6).

12.3.1.4 A surcharge of 20% on the total cost of the transaction.

12.4 Special Arrangements

12.4.1 Where two or more Sectional Title Units / Dwelling ~~Residential~~ Units / Flats / Lettable Business or Commercial Units on a premises are feeding from one main, irrespective of the number of sewerage connections to a property or is serviced as on-site sanitation services, irrespective of the number of conservancy tanks, septic tanks or french drains, the relevant basic charge will be determined as follows: :

12.4.1.1 Sectional Title Units (Residential and Business)

~~**a) Conservancy Tank, Septic Tank or French drain**~~

~~A fixed basic charge, as determined by Council on an annual basis, is payable for each Sectional Title Unit (Residential and Business) which is serviced as on-site sanitation services.~~

~~**b) Sewer Network**~~

~~A fixed basic charge, as determined by Council on an annual basis, is payable for each Sectional Title Unit (residential and business) connected to the sewer network, and will be levied based on the size of the smallest water connection (20mm).~~

a) Sewer Network, Conservancy Tank, Septic Tank or French drain

A fixed basic charge, as determined by Council on an annual basis, is payable for each Sectional Title Unit (Residential and Business) which is connected to the sewer network / serviced as on-site sanitation services, and will be levied based on the size of the smallest water connection (20mm).

12.4.1.2 ~~Residential~~ Dwelling Units

~~**a) Conservancy Tank, Septic Tank or French drain**~~

~~A fixed basic charge, as determined by Council on an annual basis, will be levied on each additional Residential Unit as per the building plan register, up to a maximum of five (5) additional Residential Units. The tariff structure for this purpose is as follows:~~

~~(i) Primary Dwelling House + 1 Additional Dwelling unit;~~
~~(ii) Primary Dwelling House + 2 Additional Dwelling units;~~
~~(iii) Primary Dwelling House + 3 Additional Dwelling units;~~

~~(iv) Primary Dwelling House + 4 Additional Dwelling units;~~
~~(v) Primary Dwelling House + 5 Additional Dwelling units;~~

~~**b) Sewer Network**~~

~~A fixed basic charge, as determined by Council on an annual basis, will be levied on each additional Residential Unit as per the building plan register, up to a maximum of five (5) additional Residential Units. The tariff structure for this purpose is as follows:~~

~~(i) Primary Dwelling House + 1 Additional Dwelling unit;~~
~~(ii) Primary Dwelling House + 2 Additional Dwelling units;~~
~~(iii) Primary Dwelling House + 3 Additional Dwelling units;~~
~~(iv) Primary Dwelling House + 4 Additional Dwelling units;~~
~~(v) Primary Dwelling House + 5 Additional Dwelling units;~~

Sewer Network, Conservancy Tank, Septic Tank or French drain

A fixed basic charge, as determined by Council on an annual basis, will be levied on each Primary Dwelling Unit and each additional Dwelling Unit per the building plan register, up to a maximum of five (5) additional Dwelling Units. The tariff structure for this purpose is as follows:

(a) Primary Dwelling Unit + 1 Additional Dwelling unit.

Additional charges will be levied per dwelling unit for each additional dwelling unit.

12.4.1.3 Duet Units

A fixed basic charge, as determined by Council on an annual basis, will be levied on each Duet Residential Unit per the building plan register

12.4.1.4 Lettable Business or Commercial Units

~~**a) Conservancy Tank, Septic Tank or French drain**~~

~~A fixed basic charge, as determined by Council on an annual basis, will be levied on each additional Lettable Business or Commercial Unit as per the building plan register, up to a maximum of ten (10) additional Lettable~~

~~Business or Commercial Units. The tariff structure for this purpose is as follows:~~

~~(i) 2 Lettable Business or Commercial Units~~

~~(ii) 3 Lettable Business or Commercial Units~~

~~(iii) 4 Lettable Business or Commercial Units~~

~~(iv) 5 Lettable Business or Commercial Units~~

~~(v) 6 Lettable Business or Commercial Units~~

~~(vi) 7 Lettable Business or Commercial Units~~

~~(vii) 8 Lettable Business or Commercial Units~~

~~(viii) 9 Lettable Business or Commercial Units~~

~~(ix) 10 Lettable Business or Commercial Units~~

~~(x) 11 and more Lettable Business or Commercial Units;~~

~~**b) Sewer Network**~~

~~A fixed basic charge, as determined by Council on an annual basis, will be levied on each additional Lettable Business or Commercial Unit as per the building plan register, up to a maximum of ten (10) additional Lettable Business or Commercial Units. The tariff structure for this purpose is as follows:~~

~~(i) 2 Lettable Business or Commercial Units~~

~~(ii) 3 Lettable Business or Commercial Units~~

~~(iii) 4 Lettable Business or Commercial Units~~

~~(iv) 5 Lettable Business or Commercial Units~~

~~(v) 6 Lettable Business or Commercial Units~~

~~(vi) 7 Lettable Business or Commercial Units~~

~~(vii) 8 Lettable Business or Commercial Units~~

~~(viii) 9 Lettable Business or Commercial Units~~

~~(ix) 10 Lettable Business or Commercial Units~~

~~(x) 11 and more Lettable Business or Commercial Units;~~

~~This does not apply to Flats which form part of such business premises, which are levied in terms of 12.4.1.4.~~

Sewer Network, Conservancy Tank, Septic Tank or French drain

A fixed basic charge, as determined by Council on an annual basis, will be levied on each additional Lettable Business or Commercial Unit as per the building plan register, up to a maximum of ten (10) additional Lettable Business or Commercial Units. The tariff structure for this purpose is as follows:

(i) 2 Lettable Business or Commercial Units

(ii) 3 Lettable Business or Commercial Units

(iii) 4 Lettable Business or Commercial Units

(iv) 5 Lettable Business or Commercial Units

(v) 6 Lettable Business or Commercial Units

(vi) 7 Lettable Business or Commercial Units

(vii) 8 Lettable Business or Commercial Units

(viii) 9 Lettable Business or Commercial Units

(ix) 10 Lettable Business or Commercial Units

(x) 11 and more Lettable Business or Commercial Units;

This does not apply to Flats which form part of such business premises, which are levied in terms of 12.4.1.5.

12.4.1.5 Flats

~~**a) Conservancy Tank, Septic Tank or French drain**~~

~~A fixed basic charge, as determined by Council on an annual basis, is payable for each Flat which is serviced by a single conservancy tank, septic tank or french drain.~~

~~**b) Sewer Network**~~

~~A fixed basic charge, as determined by Council on an annual basis, is payable for each Flat connected to the sewer network, and will be levied based on the size of the smallest water connection (20mm).~~

a) Sewer Network, Conservancy Tank, Septic Tank or French drain

A fixed basic charge, as determined by Council on an annual basis, is payable for each Flat which is connected to the sewer network / serviced by a single conservancy tank, septic tank or French drain (on-site sanitation services), and will be levied based on the size of the smallest water connection (20mm).

12.4.2 Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual owners/ sectional title owners may apply, before the 31st of December of the year preceding the financial year for which the rebate is applied for, in writing for a rebate on the basic charges levied for sewer. If approved a rebate of 15% will be applied. If no application is received the full basic charges will be levied.

12.4.3 Private flat owners with eleven or more units who take responsibility for the payment of the full account of the property in respect of basic water, basic sewerage and refuse removal services may apply in writing for a 15% rebate on the basic charge for sewerage.

12.4.4 Other tariffs may be applicable which has been determined by the Town Engineer or Council by special agreement with specific clients. This will only be considered when special circumstances prevail.

12.5 Departmental

The tariffs as per paragraph 12.1.2, 12.2.2 and 12.2.4 above will be applicable to all municipal buildings, pump stations, waste water works, water treatment works, etc.

12.6 Sewerage sundry tariffs

All other sewerage related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

13. PROPERTY RATES POLICY

13.1 Property Rates Tariffs

Property rates are levied as determined by Council from time to time and is covered in the Property Rates Policy and By-Law of the Hessequa Municipality.

13.2 Property Rates Sundry Tariffs

All other property rates funded services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

14. SUNDRY TARIFFS

14.1 Various sundry tariffs are applied to recoup costs of sundry services to the public. All such tariffs are based on cost of supply, but individual tariffs may be set at:-

14.1.1 Subsidised levels;

14.1.2 Levels reflecting actual cost; or

14.1.3 Levels producing surpluses.

14.2 The level at which the Council sets a sundry service tariff, takes into account factors such as:-

14.2.1 Affordability;

14.2.2 Socio-economic circumstances;

14.2.3 Utilisation of amenities and resources;

14.2.4 National and regional agreements and provisions; and

14.2.5 Any other factors influencing such decisions.

14.3 Sundry tariffs are based on the tariff applicable for the period during which the sundry service is rendered.

14.4 Sundry tariffs and structures will be revised at least once a year, during the annual budgeting process.

14.5 Sundry tariffs / charges payable must be paid in advance and only in cases of extreme emergency this requirement may be waived with the approval of the CFO.

15. IMPLEMENTATION AND REVIEW OF THIS POLICY

15.1 This Policy shall shall be implemented once approved by Council. All future tariff charges must be considered in accordance with this policy.

15.2 In terms of section 17(1)(e) of the MFMA this Policy must be reviewed on annual basis and the reviewed Policy tabled to Council for approval as part of the budget process.